

# South East Tourism Industry Connectivity Research Project

Report prepared by: TEAM Tourism Consulting  
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# Executive summary & conclusions

In November 2008 TEAM Tourism Consulting were commissioned by Tourism South East (TSE) to undertake research among tourism businesses to measure levels of internet and market connectivity.

#### **Current E-business systems:**

- In terms of **computer usage**, patterns were mixed. Approximately a third (35%) of all businesses used computers either a little or not at all. Just under half (45%) used computers for most things or everything.
- The main reason for **non computer usage** was that it was simply not perceived as needed by the business.
- The majority of all businesses had **email** and **internet** access (about 80%). Similarly, the majority (74% of all businesses) had their **own web** address.
- Overall, 83% of all businesses were featured on a **third party website** – this was most commonly a local website (i.e. Local Authority, Tourism Association typically via a **DMS** - 63%) or national site (i.e. VisitBritain, or EnjoyEngland via **EnglandNet** - 40%).

- Businesses were tending to **update** their latest room / ticket availability and prices on external websites. (49% were and a further 14% to some extent) but were not tending to take **online** bookings (28% were).

#### **Own website**

- About a third of businesses with their own websites paid for additional **advertising** on them. A similar proportion undertook **Search Engine Optimisation**.
- About a fifth of businesses with their own websites had a **Property Management System**.
- In about a third of cases, customers were able **book direct** via the business's own website. These online bookings generally (59%) require the **business's confirmation** of room/unit/ticket availability before the customer receives confirmation of the booking.
- About a third of businesses taking direct website bookings had an **Online Merchant Account** (i.e. an account that receives payments for online bookings).
- Among businesses using computers about two fifths had a **customer database** with email details. A small majority (57%) of these businesses were **emailing** customers with special offers, updates and newsletters.

## E-adoption ladder

Six stages of e-adoption among tourism businesses can be identified from this research. These are as follows:

E-adoption stage	% of businesses
Not on ladder – no computer / e-commerce capability	8
Not on ladder - but advertising through third party	8
1 – messaging (have email)	10
2 – marketing (use of own website for marketing business)	49
3 – ordering (taking on-line bookings through own website)	18
4 – ebusiness (operating with a PMS)	8

- Most businesses in the middle category ("marketing") – i.e. using ICT for advertising purposes but little else.

- About a third of businesses were in a more advanced position – taking on-line bookings through their own websites, and in some cases, operating with a PMS. This group was more likely to be using customer databases and email for marketing purposes.
- A small but significant proportion (about a quarter) are lagging – they have basic ICT adoption or no adoption. A significant proportion of this group are not interested in utilising ICT in the future.

### Attitudes

Businesses **using computers** indicated that:

- They are tending to market on-line, e-business has helped, and is relevant, to them.
- Availability of software systems, skills and knowledge, and on-line security are not, in overall terms, barriers.
- Generally they were not interested in taking on-line bookings and payments, and / or in having one system for managing their availability information.
- Businesses not using computers were generally not interested in e-business or e-marketing. Skills, systems, and security were seen as issues.

Based on attitudes a number of groups can be identified – these range from “leading edge” businesses (17% of businesses) that have strongly embraced e-business and are interested in new systems; to a group (“Non adopters – not interested”– 8%) that have not adopted and show no interest in doing so. Businesses are most commonly (42%) “mainstream adopters” – i.e. they see the relevance of e-business but are not so keen as leading edge businesses to adopt new technologies.

There is a close and not surprising correlation between e-adoption and attitudes to e-business.

### **Sources of business**

The most common channel for customers to reach a business is by telephone (about 50%). About 15% of business is coming via the web, and 14% by email. This varies significantly by the stage of the e-adoption ladder that a business has reached – businesses that are at the higher end of the ladder are receiving greater proportions of business through the web.

Sources of business also varied significantly by business type.

### **Skills and support**

- There was interest in ICT training but this among a minority of businesses – typically about one in ten were very interested in specific training, and a further one in five fairly interested.
- Interest was greatest in online marketing and Search Engine Optimisation.
- Overall about 40% of businesses were interested in receiving information on training opportunities.

### **Concluding remarks**

While the majority of businesses are utilising ICT in some form (e.g. 83% are on the web through third party sites – meeting TSE's target to have enabled 80% of tourism businesses in the region to be connected to global markets via the Internet by 2007), there are significant variations.

Businesses are typically using the web as a promotional / advertising tool but no more. There are a small group of businesses that are further forward in e-adoption, but even among this group it is a minority that could be regarded as "leading edge" and e.g. proactively undertaking e-marketing.

There were significant **variations by business types**.

Typically it is the **larger serviced** establishments that have been more proactive in e-business adoption – they are the businesses that have most to gain from the advanced bookings that the web as a channel can offer, and from the organisational efficiencies ICT and related systems can bring (e.g. managing room allocations).

There were variations by business **size** – i.e. larger businesses are more likely to adopt. However, this is typically a reflection of the larger serviced establishments – attractions are generally not such proactive adopters.

Similarly there are some area variations but these are not strong and are likely to be related to business type – e.g. Berks / Bucks / Oxon has a higher proportion of larger serviced establishments and this manifests itself in responses to different questions.

Finally, there have been some notable changes since **2003**:

- Levels of businesses using computers appears to be up -85% of businesses in 2008 compared to 65% in 2003.
- While levels of adoption of email, internet access and a web presence were broadly the same among computer users, there was some evidence that the proportion of business able to take direct web bookings was up (34% compared to 29%), and that the proportion of these that were automated was also up (35% compared to 24%).

# 1. Introduction

## 1.1 Project aims

A key aim of Tourism South East (TSE) and the South East England Development Agency (SEEDA) is to encourage businesses in the region to get connected to the Internet and to fully exploit this medium to reach prospective customers. To this end, a number of TSE's programmes within the 2005/06-07/08 business plans have been aimed at supporting businesses to make the best use of new technology. A key performance indicator (KPI) for this work is to have enabled 80% of tourism businesses in the South East to be connected to global markets via the Internet by 2007.

In November 2008 TEAM Tourism Consulting were commissioned by Tourism South East (TSE) to undertake research among tourism businesses to measure achievement against this target, and in particular, to provide a baseline for assessing future progress.

The objective of the project was to establish current capability amongst tourism businesses in respect of:

- Connection to the internet
- Use of the internet i.e. for marketing product as simple communication
- Having their own website and/or featuring on destination websites
- Featuring on/connected to local DMS
- Featuring on EnglandNet
- Offering on-line booking.

## 1.2 Methodology

The project involved a telephone survey among tourism businesses using a structured questionnaire. The questionnaire (shown at Appendix 1) was agreed with TSE prior to the start of the data collection process.

TSE's database of tourism businesses was broken down into a number of different categories and a quota was applied to these. Within this quota, businesses were then interviewed on a random basis - this ensured a random geographic spread of businesses.

The final sample size was 610 businesses. The final analysis was weighted by business type to ensure that the sample reflected the supply of tourism businesses in the region.

The following table shows the sample in terms of number of businesses. It also shows a comparison of the sample against the supply of tourism businesses in the region.

	Sample - No of businesses	Sample - % of businesses (n=610)	Actual supply - % of businesses (n=7559)
<b>Serviced</b>			
1 to 3 rooms	102	17	33
4 to 10 rooms	100	16	19
11 to 25 rooms	62	10	9
26+ rooms	38	6	8
<b>Self catering</b>			
1 -10 units	142	25	13
10+ units	12		
<b>Caravan</b>			
1 – 50 units / pitches etc	31	9	5
50+ units / pitches etc	21		
<b>Attractions</b>			
Free – less than 25k visitors	32	9	6
Free – more than 25k visitors	21		
Charging - less than 25k visitors	31	8	7
More- less than 25k visitors	18		

## 1.3 Project context

In 2003, two major pieces of work were undertaken looking at ICT / e-business adoption by tourism businesses.

The first of these was the **DCMS / DTi E-commerce assessment project** (PriceWaterhouseCoopers – March 2003). This was primarily a qualitative project (involving 30 depth interviews across the UK). The study drew a number of conclusions:

- The overall adoption of e-commerce was relatively high – 80% of respondents were using the internet for marketing, and 40% could take on-line bookings.
- Accommodation, and particularly self catering, were more advanced than attractions in this regard.
- There was wide adoption of basic technologies – email (80%) and website (80%) but adoption of other technologies (intranets, and Electronic Data Transfer) was lower (less than a third). On line bookings were typically not done in real time.
- The study identified a number of stages of e-adoption and identified the proportion of businesses within these categories. These are shown in the following table.

E-adoption stage	% of respondents
Not on ladder – no e-commerce capability	3
Not on ladder - but advertising through third party	14
1 – messaging (use of email to send messages)	3
2 – marketing (use of a website for marketing products and services, including publishing of prices and availability)	37
3 – ordering (interaction between a business and its customers )	17
4 – payment	23
5 – order / sales online progress	3
6 – ebusiness (a business that has fully integrated ICT into its operations – potentially re-designing business models around it, with the integration of all the activities above with the internal processes of a business through ICT).	-

- Motivations for adopting e-commerce were generally customer focused – reaching new customers, increasing bookings and efficiency. The motivation is stronger for accommodation businesses (where pre-booking is of greater importance).
- A quarter cited a lack of understanding as a barrier to embracing e-commerce. The biggest barrier (50%) was investment – not necessarily money but also return on investment. Other barriers included fear, casual workforce, and external skills (i.e. where to get external support)

The second study undertaken in 2003 on ICT / e-business adoption was a national survey of tourism businesses. This was undertaken by the English Tourism Council and involved a quantitative telephone survey. The sample across the South East region (at that time the Southern Tourist Board and South Eastern Regional Tourist Board areas) was 320 businesses. This survey covered a range of subjects. Some of these are also addressed in this current 2008 Connectivity Research Project and, where appropriate, reference and comparison has been made between the two surveys.

In addition, a survey was conducted on behalf of SEEDA - 'ICT Adoption and Perceptions within South East Businesses' (BMG – Sept 2008 ). This survey primarily focused on establishing the level of adoption of ICT hardware, broadband connection etc. across a range of business sectors. It was not specifically related to the tourism industry. While tourism related businesses were included in the overall sample, the analytical output was not presented by industry sector. For these reasons, this survey has therefore not been used for comparative purposes.

## 1.4 Notes to the reader

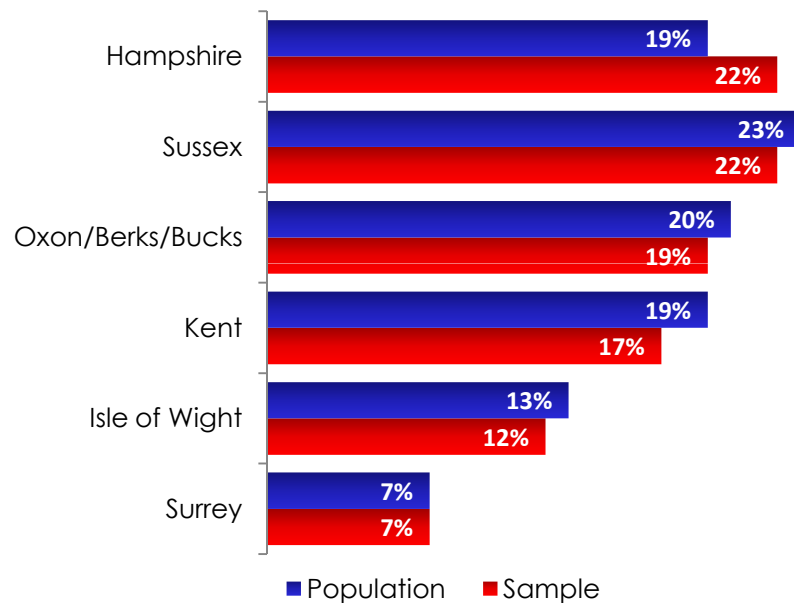
In relation to the analysis in this report a few points should be noted:

- Percentages are rounded to the nearest whole number – they may not always equal 100%.
- Data in this report is generally weighted (by business type) to reflect the regional supply of businesses. Where data is **unweighted**, this is highlighted.
- Some questions included a “don’t know” response and in some instances these have been excluded from the analysis to provide a sensible and comparable picture of activity among businesses. This was particularly the case with questions in section 4 (relating to, e.g. Website advertising, and search engine optimisation).
- Crosstabs – data in this has generally been cross-tabulated by a number of variables where samples are sufficiently robust – typically these were type of business, size of business, and location. If the crosstabs show significant differences, these have been reported. If the differences, are not significant, they have not been presented.

## 2. Business characteristics

## 2.1 Business location

The following chart shows the geographic location of the survey sample, and also a comparison of the distribution of tourism businesses in the region (based on TSE's product database).



In general, the distribution of the sample follows the distribution of businesses within the region.

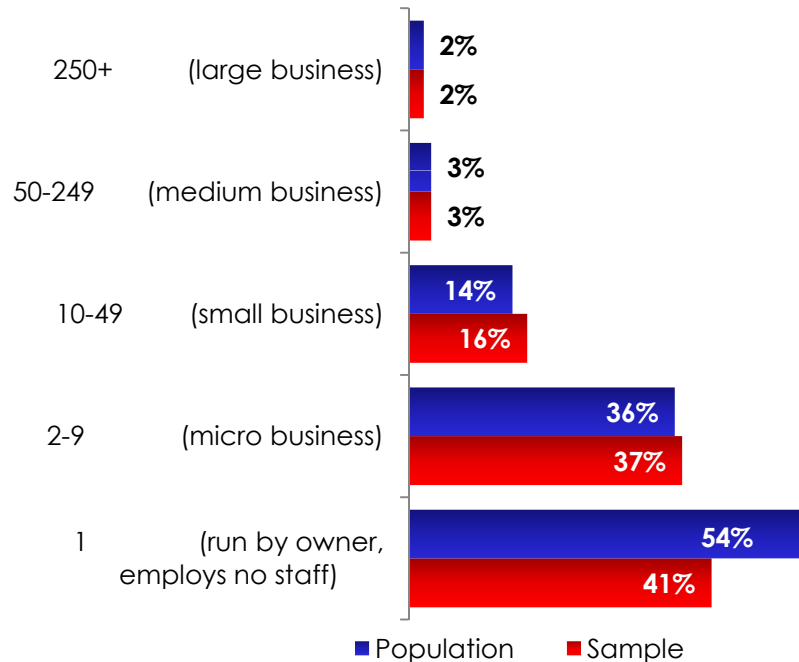
The sub-regional samples varied slightly in terms of business type, as the table below summarises (NB – this data is unweighted).

	Region %	Hants. %	Kent %	Sussex %	Isle of Wight %	Berks /Bucks /Oxon %	Surrey %
Serviced 1-3	17	18	19	14	10	17	31
Serviced 4-10	16	15	16	18	6	22	14
Serviced 11+	17	14	11	15	16	24	26
Self catering	26	29	24	24	51	13	14
Caravan	8	8	9	13	10	4	2
Attraction - free	9	9	14	8	1	10	5
Attraction - charging	8	7	8	8	7	11	7

Hampshire, Kent and Sussex were broadly similar in terms of business type but there were more significant variations in terms of the Isle of Wight, Berks /Bucks /Oxon, and Surrey.

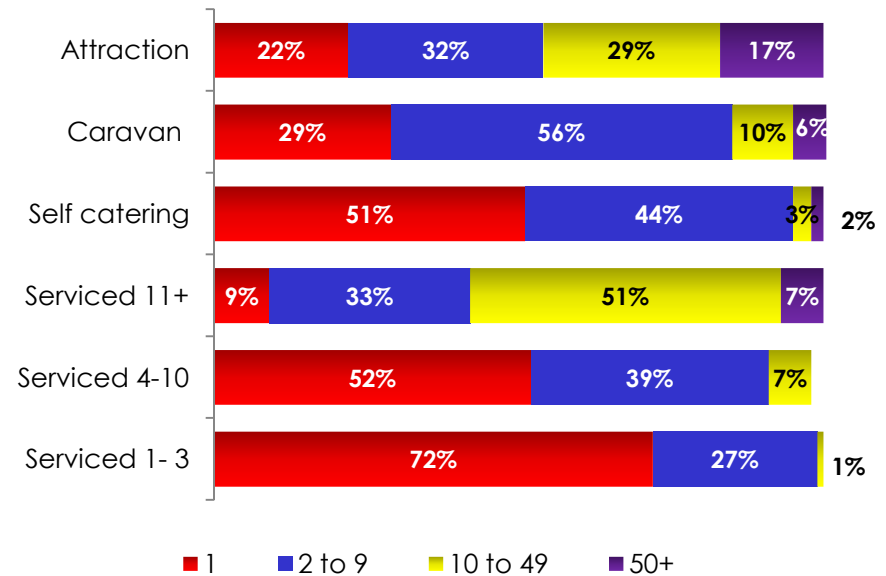
## 2.2 Business size

The chart below summarises the size of businesses in the sample (NB – this data is unweighted) and in the region (i.e. the population – NB this data is weighted by business type ). Business size relates to number of employees working 5 hours + in the **UK** but excluding contractors and others not directly employed.



As the chart highlights the **sample** is dominated by micro-businesses – typically employing no staff (41%) or with 2 to 9 staff (37%). The supply of businesses in the region is similar but with a higher proportion of owner run businesses (54%).

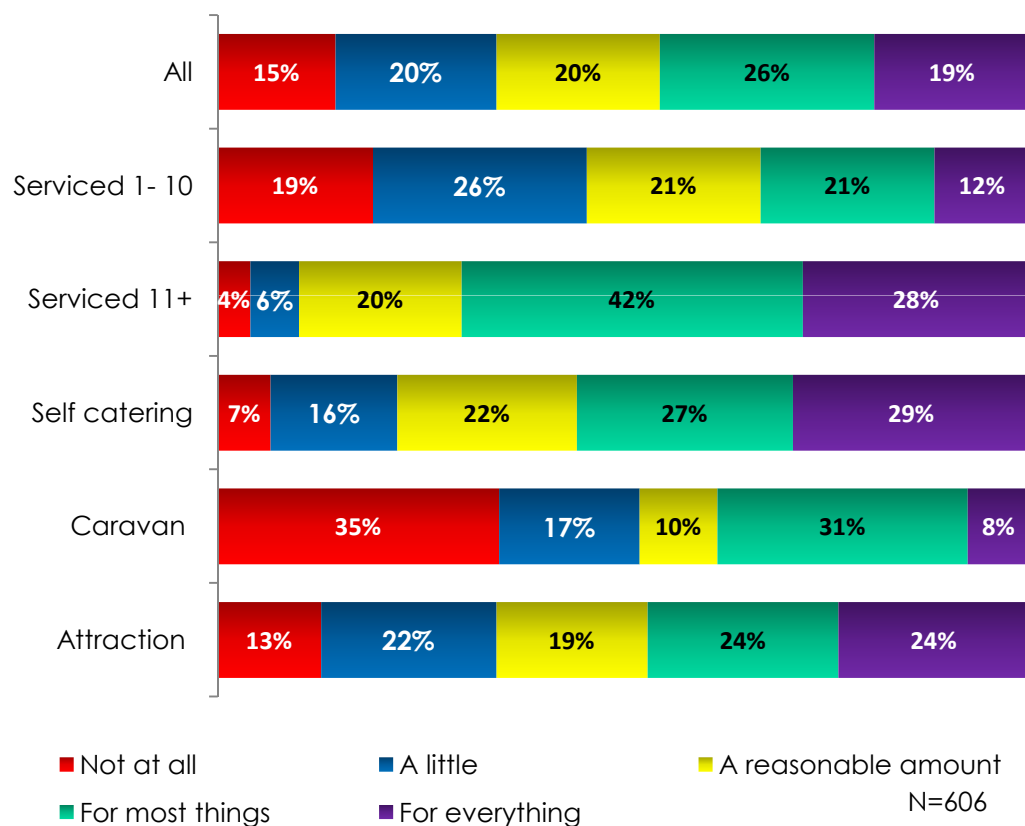
This reflects the importance of smaller serviced and self catering establishments in the region (see page 10). The majority of 1 to 10 bedspace serviced and self catering establishments employ no people as the chart below illustrates.



# 3. Current E-business systems

## 3.1 Use of computers

Businesses were asked whether they used computers in the running of their business. The weighted results are summarised in the following chart, which shows results for all businesses and for a number of different categories.

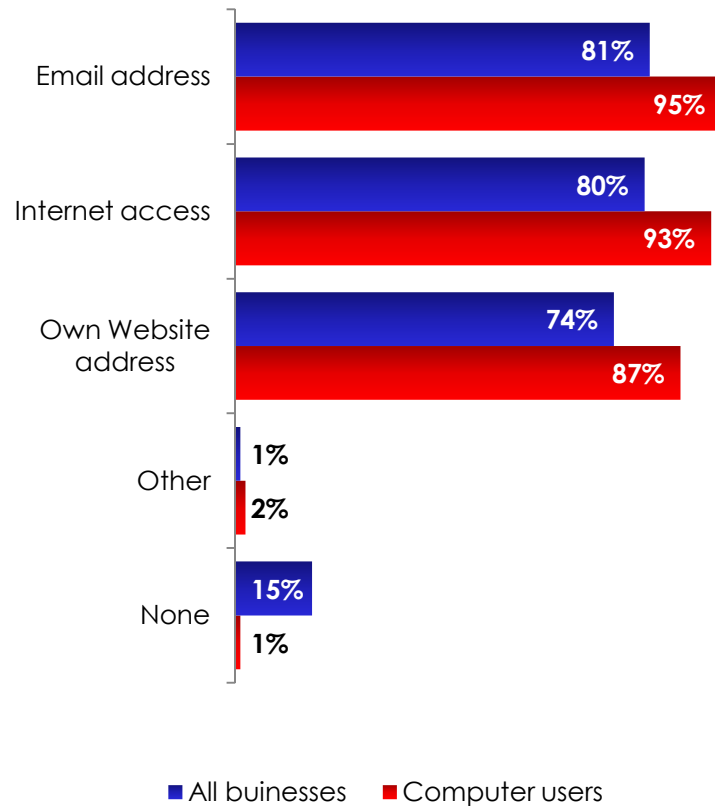


- Approximately a third (35%) of all businesses used computers either a little or not at all. Just under half (45%) used computers for most things or everything.
- There were significant differences by business type. Smaller serviced establishments (less than 10 rooms) and caravan parks were less likely to be using computers in their business. Larger serviced establishments were more likely to be doing so. So too were self catering, and, to a lesser extent, attractions.
- Reflecting this, there were also variations by business size. Micro businesses (less than 10 employees) were less likely to be using computers (39% using them little or not at all) than larger businesses (12% using little or not at all, and 74% using them for most or all things).

In 2003, 35% of businesses in the region were **not** using a computer at all (NB the question did not indicate level of usage beyond yes/no).

## 3.2 ICT use

Businesses with computers were asked what information and communication technologies (ICT) they used in their business. This is summarised in the following chart - it also shows ICT adoption for all businesses (including those not using computers).



The vast majority of businesses with computers had email and internet access (although a small proportion did not). Similarly, the vast majority (87%) had their own web address.

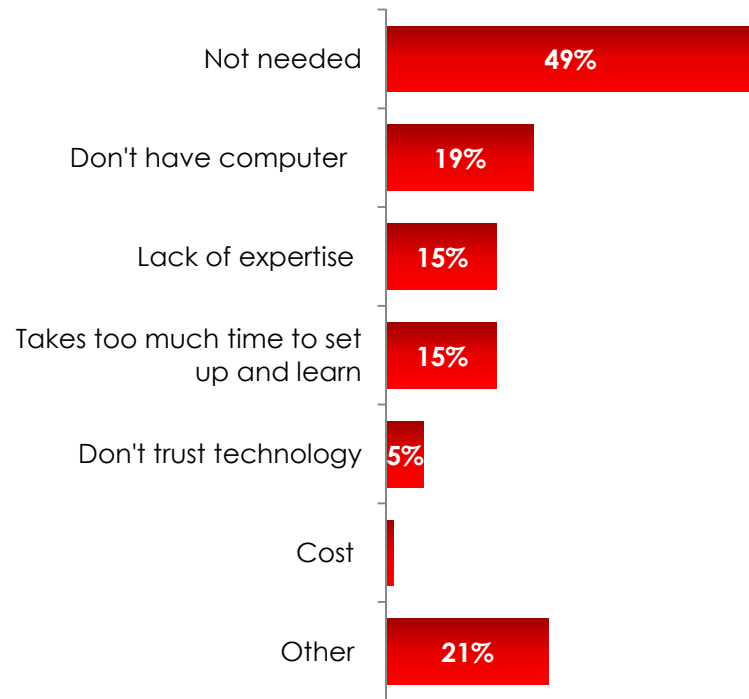
There were some slight variations by business type with respect to own website address – medium and larger serviced establishments (4+ rooms) and charging attractions were more likely to have their own websites.

Businesses without email or internet access gave a variety of reasons for non-usage. These included: no demand, too expensive, inadequate telecommunications, and a lack of training.

In 2003, 93% of businesses with computers had email, 91% had internet access and 84% had their own website (58% run and maintained by themselves, and 26% maintained by a third party). There has therefore been little change since then.

### 3.3 Non-use of computers

A variety of reasons were cited by businesses in terms of non usage of computers. The main one was that it was simply not perceived as needed by the business.

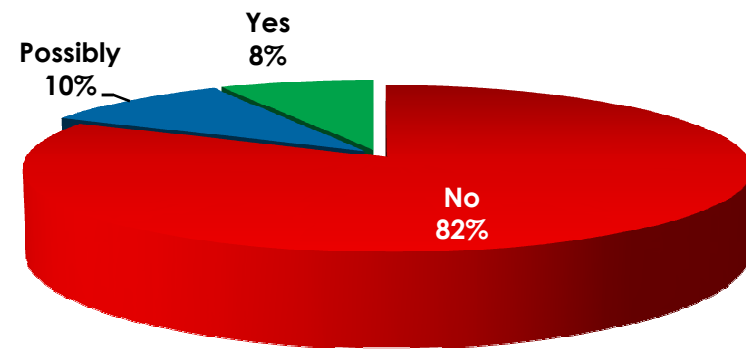


N=84

The “other” category covered a number of responses including:

- Too old
- Not enough business / business too small
- No broadband.

The majority of businesses without a computer were not planning to invest in one in the next 2 years.



N=84

## 3.4 Advertising on external websites

All businesses were asked whether they advertised on a series of external websites. The results are summarised below.



The “other” category included trade association sites such as the Caravan Club and BH&HPA and other sites like “Daysoutwithkids.co.uk”.

The majority of businesses (63%) were advertising on local tourism websites (i.e. local authority or tourism associations

– typically through a **DMS**). A significant proportion were featured on national sites (i.e. VisitBritain, or EnjoyEngland via **EnglandNet** - 40%) and the regional site (32%) . (This is an increase over 2003, when 43% of businesses were listed on local, regional, national tourist boards website).

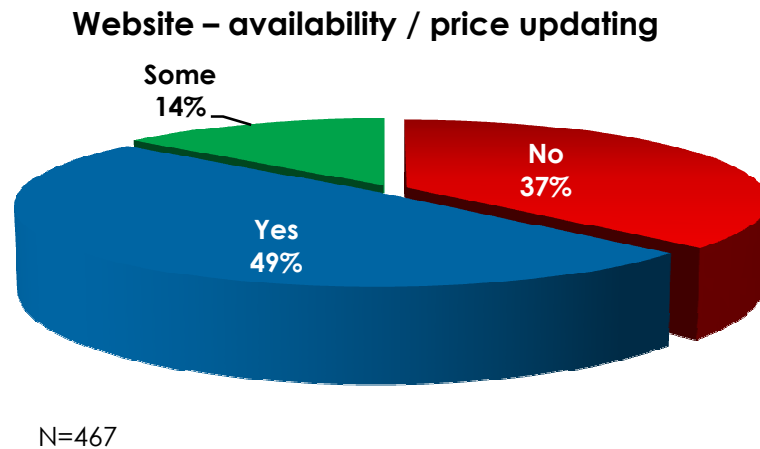
In 2008, 17% of businesses were not on any sites. There were some differences **by business types** – for example:

- Larger serviced establishments (11+ rooms) were more likely to advertise with commercial sites (39%), directory sites (37%) and agency sites (32%).
- Self catering establishments were more likely to advertise on local sites (74%) and national sites (52%).
- Caravan businesses were more likely to be either on “other” (typically caravan club) sites (20%) or none (25%).

There were some variations by area. Businesses in Berks./Bucks/Oxon were more likely to feature on agency (28%) and commercial (22%) sites (this is probably a function of the higher proportion of larger serviced establishments in the area). Businesses in Surrey were the most likely to **not** be advertising on any sites (31%).

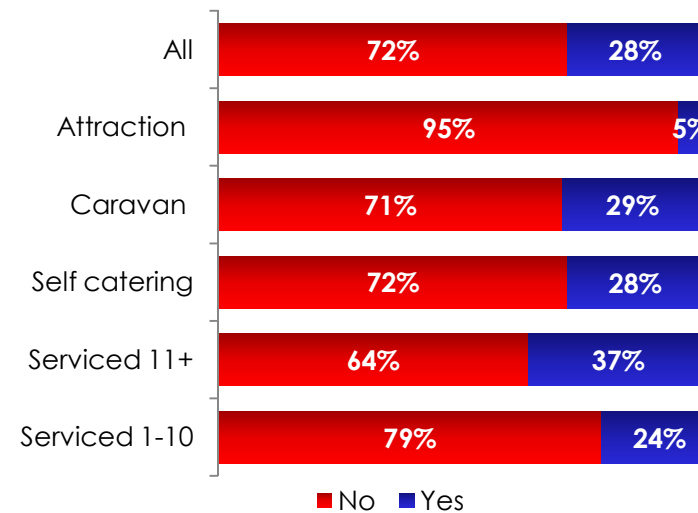
In terms of overall levels of advertising, there were no significant variations by business size - i.e. smaller (9 or less employees) and larger businesses were as likely to advertise. However, larger businesses were more likely to feature on agency and commercial websites (probably reflecting the importance of larger serviced establishments in this group).

Businesses were tending to update their latest room / ticket availability and prices on external websites that they used to advertise their business. (49% were and a further 14% to some extent).



The proportion was higher among larger (11+ rooms) serviced establishments – 65% were updating availability / price information. Caravans and attractions were less likely to be updating their information (49% and 54% respectively were not).

Most businesses were not taking online bookings from these external websites. There were some variations by business type.



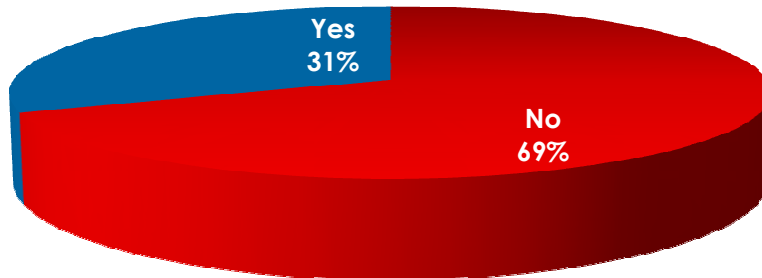
# 4. Own website and systems

## 4.1 Website advertising and optimisation

Businesses with their own websites were asked whether they occasionally paid for extra advertising in the search engines (e.g. Pay-per-click Google Ads.).

The majority (69%) did not pay for extra advertising in the search engines. Medium (4 -10 rooms) and larger (11+ rooms) serviced establishments were more likely than other business types to advertise (38% and 46% respectively – see table below).

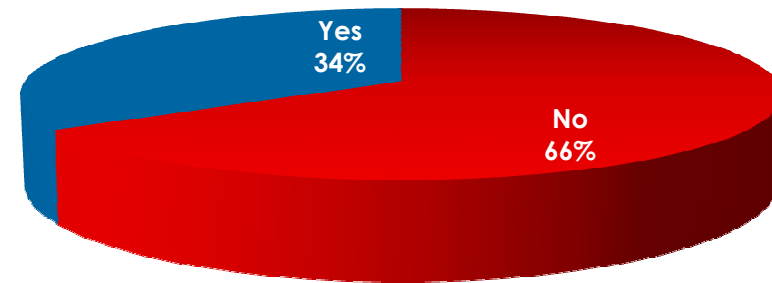
### Website advertising



N=414

A similar proportion of businesses undertook some form of search engine optimisation.

### Search engine optimisation



N=394

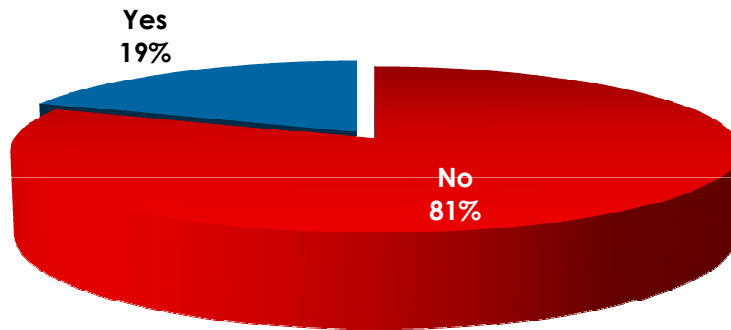
Larger (11+ rooms) serviced establishments were more likely to be undertaking some form of search engine optimisation (52% were - see below).

	Website advertising (% yes)	Search engine optimisation (% yes)
Serviced 1-3	24	27
Serviced 4-10	38	34
Serviced 11+	46	52
Self catering	27	35
Caravan (NB small sample)	40	42
Attraction	21	23

## 4.2 Property management system

The majority of businesses with their own website did not have a Property Management System or PMS (i.e. a back-office computer system that allows the business to manage room or ticket availability, check-in/check out, invoicing etc).

### Property Management System

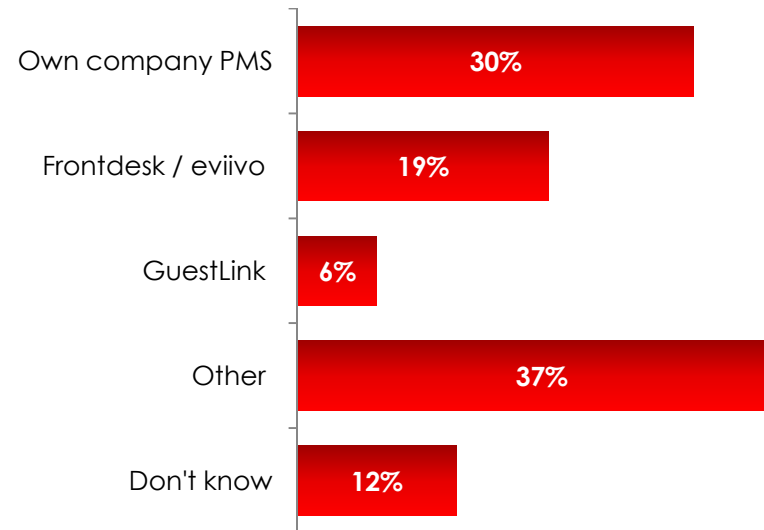


N=405

There were significant differences by business type. Small serviced establishments typically (95%) did not have a PMS. This was also true, albeit to a lesser extent, for serviced establishments with 4 -10 rooms and self catering (86% and 82% respectively did not have a PMS).

Larger serviced establishments (11+ rooms) were the most likely to have a PMS (46%) but even among this group the majority (54%) did not.

A wide variety of PMSs were in use – most common was an own company PMS.

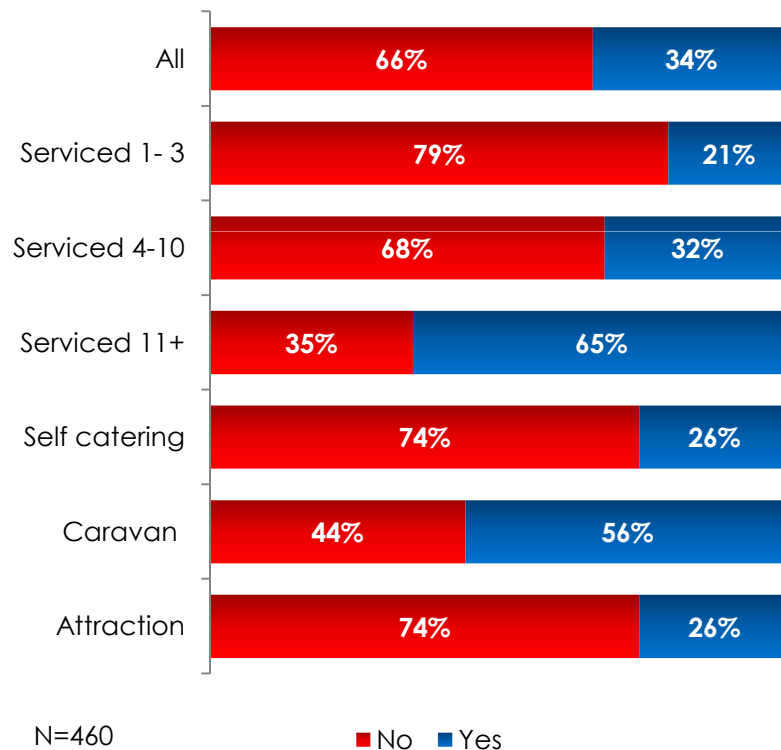


N=84

The "other" category included a wide range of responses including Guestmaster, Easybookings, ResidentPro, Guestline, HotelPro, Hotel Perfect, Focus etc.

## 4.3 On-line booking

For about a third of businesses (34%), customers can book direct via the business's own website (i.e. without having to talk to the business on the phone, fax or send an email). This is slightly higher than in 2003 when 29% of businesses with a website were able take an automatic on-line booking.



As the chart highlights, there were significant variations by different business type – smaller serviced, self catering and attractions were less likely to be able to take direct bookings.

Businesses with a PMS were more likely to be able take direct bookings – 62% could.

Businesses taking direct website bookings (n=165) were asked about ways customers can book via their website.

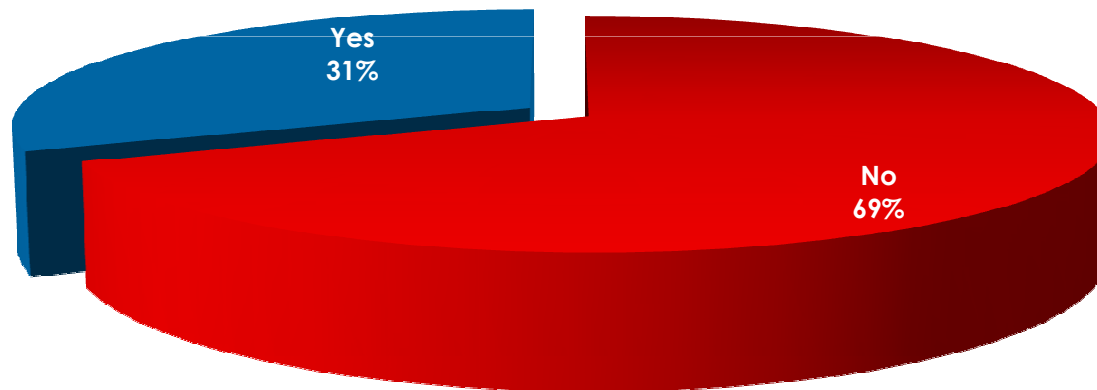
- In the majority of cases (59%), all online bookings **require** the business's confirmation of room/unit/ticket availability before the customer receives e-mail confirmation through the business's system that the online booking can go ahead (or not go ahead).
- In about a third of cases (35%), online bookings are processed and authorised **automatically** without the business's participation at the booking stage; and with availability information updated accordingly. This is an increase on 2003 when 24% of businesses had automatic authorisation.

## 4.4 On-line merchant account

Businesses taking direct website bookings (n=165) were asked whether they had an Online Merchant Account (i.e. an account that receives payments for online bookings).

Just over two thirds did not.

**On-line merchant account**



N=158

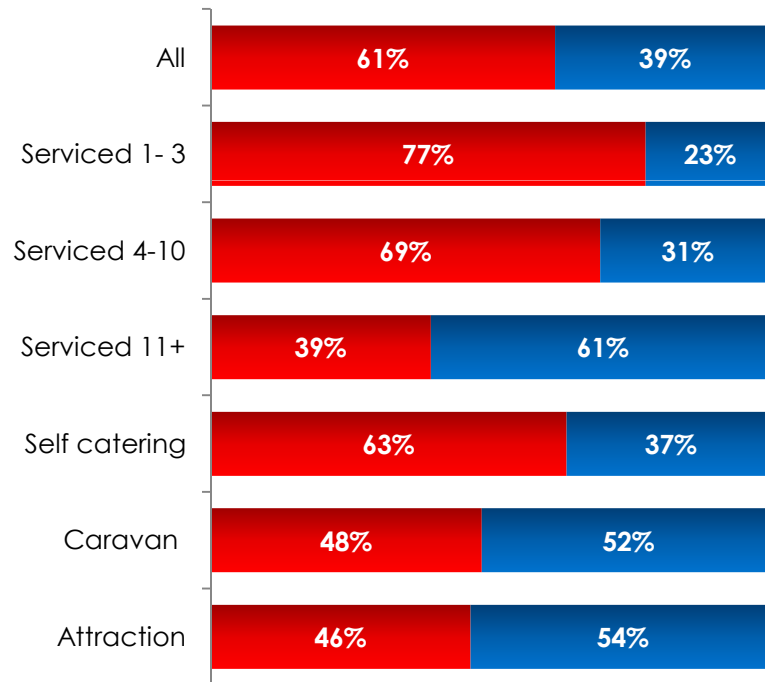
## 4.5 Databases and e-marketing

Most businesses using a computer do **not** have a customer database that includes email details (61%). This was particularly the case among smaller businesses – 32% of businesses with 9 or less employees had a database, compared to 67% of larger businesses.

- The majority of businesses with a customer database (n=203) were emailing customers with special offers, updates and newsletters (overall 57% were).

Larger businesses (10+ employees) were considerably more likely to be emailing customers (81%) than smaller businesses (42%).

**Have customer database**



N=497

■ No ■ Yes

# 5. The “e-adoption” ladder

## 5.1 E-adoption ladder

Page 11 summarises the **DCMS / DTi E-commerce assessment project** undertaken in 2003. This identified a number of stages in an e-adoption ladder.

This approach has been applied to tourism businesses in the region. NB – because of data availability the categories used do not necessarily relate exactly to those in 2003. The following tables summarises the definitions used and proportions of businesses in each category.

E-adoption stage	% of businesses
<b>Not on ladder</b> – no computer/ e-commerce capability	8
<b>Not on ladder</b> - but advertising through third party	8
1 – <b>messaging</b> (have email)	10
2 – <b>marketing</b> (use of <b>own</b> website for marketing business)	49
3 – <b>ordering</b> (taking on-line bookings through <b>own</b> website)	18
4 – <b>ebusiness</b> (operating with a PMS)	8

Approximately half of businesses were at the marketing rung – i.e. using their own websites for promotion but not engaging further in e-business through (e.g. on-line bookings).

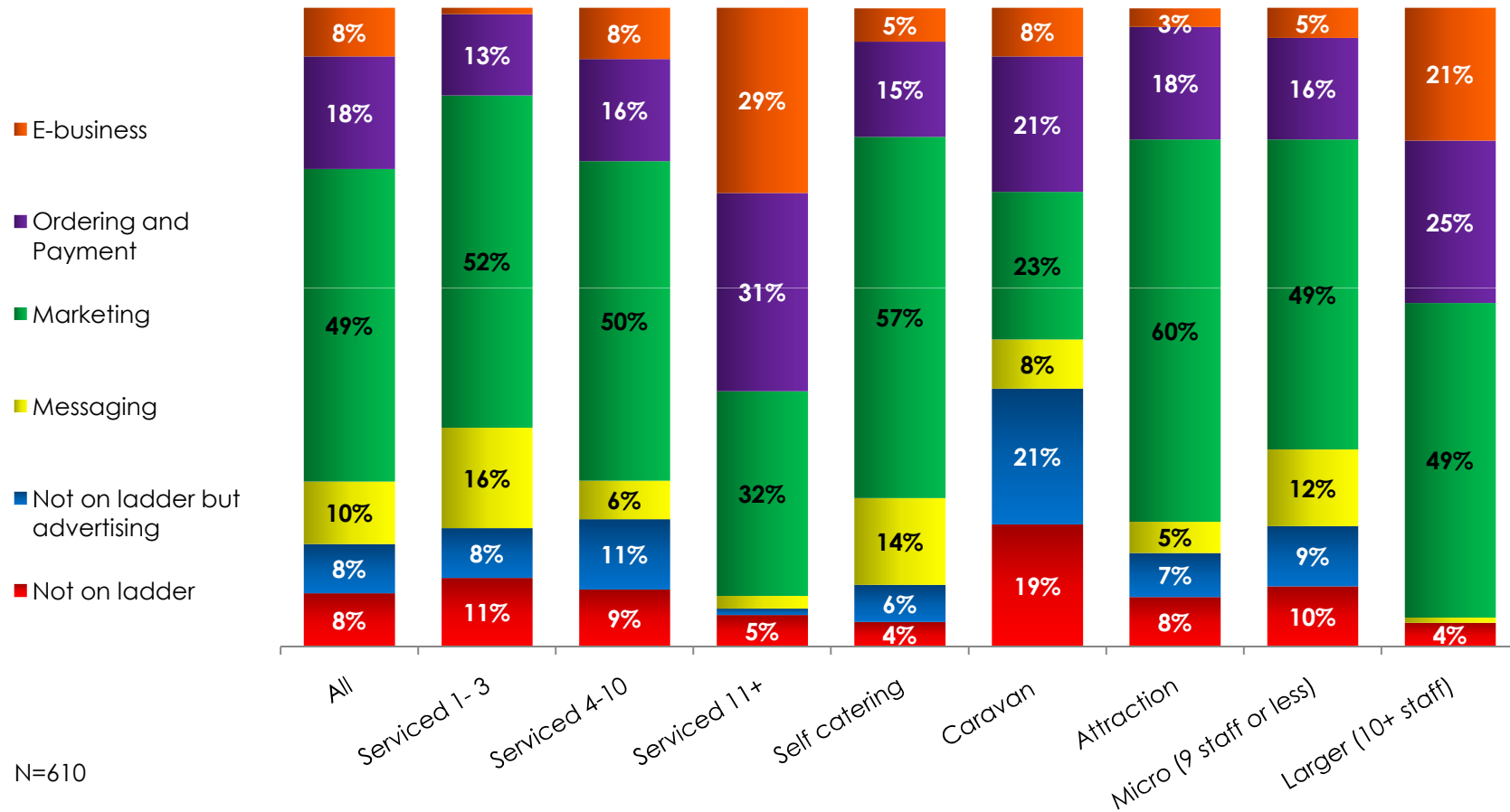
A third of businesses were in a more advanced position – taking on-line bookings through their own websites, and in some cases, operating with a PMS.

For analysis purposes (to provide a more robust sample in some of the smaller categories), the e-adoption ladder has been simplified into 4 categories.

These are:

- Not on ladder -the “not on ladder” category of the ladder)
- Basic adopter - the “not on ladder but advertising”, or “messaging” categories of the ladder
- Marketing – the “marketing” category of the ladder
- E-business adopter the “ordering” or “ebusiness” stages of the ladder.

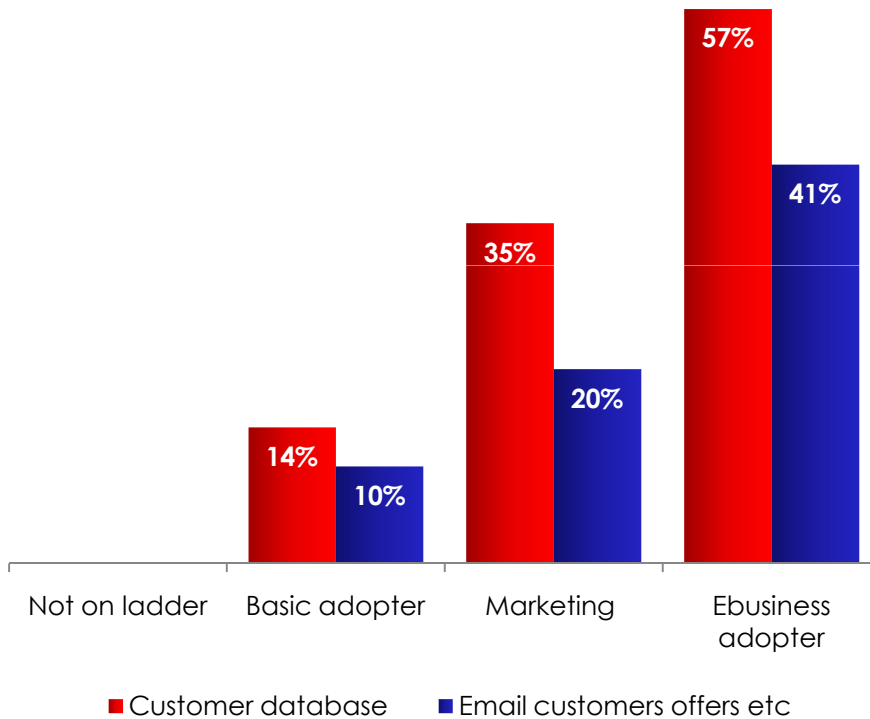
E-business adoption was closely related to business type and size as the following chart illustrates. Larger businesses, especially serviced accommodation, are further up the ladder.



N=610

## 5.2 E-adoption and CRM

The following chart summarises the relationship between e-adoption (using the simplified categorisation – see page 30) and CRM (in terms of customer data bases and emailing customers).



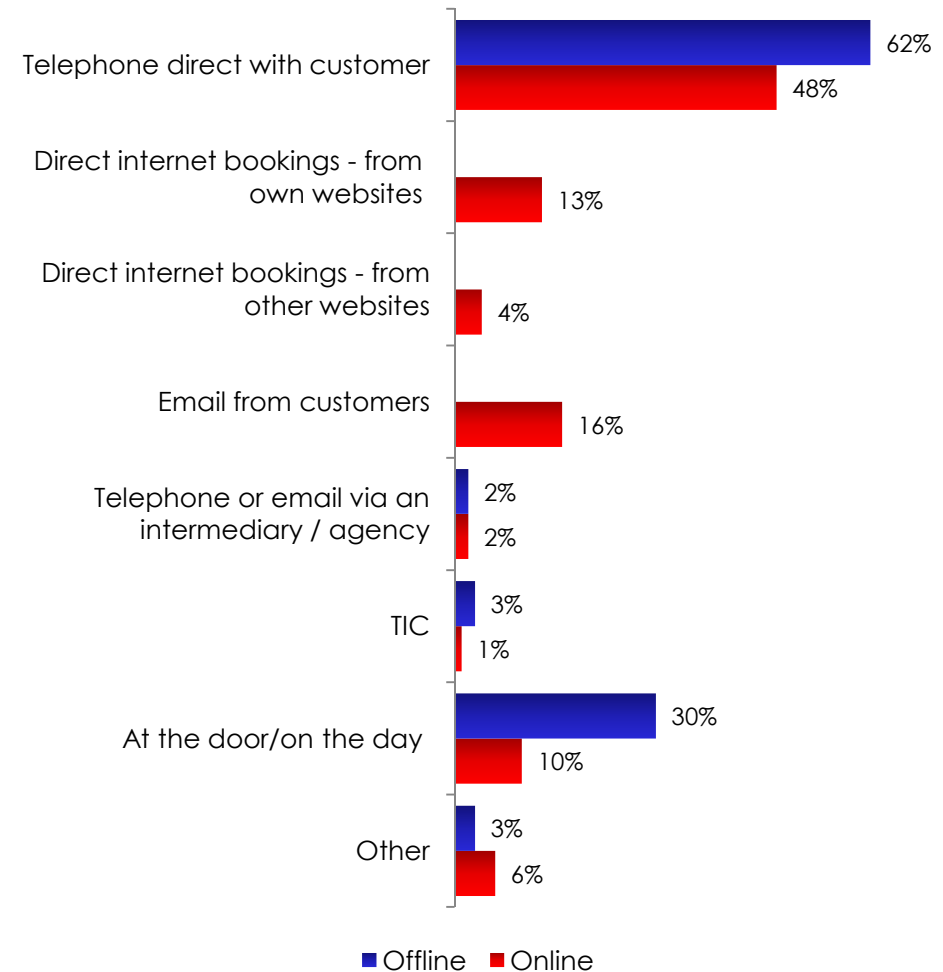
## 6. Sources of business

## 6.1 Sources of business - online and offline businesses

The following chart highlights the proportion of bookings / sales (e.g. rooms /units for accommodation businesses; ticket sales for attractions) coming through different channels. The chart shows the proportions of businesses using email and /or and websites (i.e. Online businesses) and "offline" businesses (those not using email or websites).

Key points arising from this are:

- The most common channel (for both groups) is telephone direct with the customer.
- For online businesses, 17% of business is coming via the web (most of this from their own sites) and 16% by email.



## 6.2 Sources of business - by the e-adoption ladder

The following table shows sources of business by the different stages of the e-adoption ladder (see page 30 for definitions of these groups ) and type of business. NB. This includes both online and offline businesses.

	All businesses (%)	Not on ladder (%)	Basic adopter (%)	Marketing (%)	E-business adopter (%)	Serviced 1-10 rooms (%)	Serviced 11+ rooms (%)	Self catering (%)	Caravan (%)	Attraction (%)
Telephone direct with customer	50	51	59	50	42	57	48	40	65	36
Direct internet bookings - from own websites	11	0	3	10	22	10	14	15	7	4
Direct internet bookings - from other websites	4	0	1	3	9	3	9	4	2	2
Email from customers	14	0	12	19	11	14	14	22	8	4
Telephone or email via an intermediary / agency	2	0	4	2	2	1	4	4	0	2
TIC	1	1	3	1	0	2	1	1	2	0
At the door/on the day	13	45	12	10	9	10	8	3	10	45
Other	5	2	6	7	4	4	2	10	5	7

# 7. Attitudes

## 7.1 Overview – computer users

This section examines businesses' attitudes to e-business through a range of attitudinal questions – respondents were asked to agree or disagree with these statements. The following table summarises the results for all respondents using a computer in their business.

The final column provides an average score – a score of +2 would indicate strong agreement. Negative scores indicate disagreement. **NB** – the statements are two directional (i.e. a mix of positive and negative statements).

Sample base ~ 590 (computer users) Figures are % of respondents - read across.	Strongly disagree	Disagree	Agree	Strongly agree	Av. Rating (-2 to +2)
We are doing most of our marketing on-line now	14	24	37	25	0.4
E-Business has helped my business performance in last three years	11	20	39	30	0.6
Would like to find a way to update our availability in one system and for this to be published on all the web sites where we advertise	16	38	32	15	-0.1
We lack relevant skills/ knowledge to use e-business properly on all web sites where we advertise	19	44	28	9	-0.4
Not interested in taking payment and bookings over web	18	32	27	24	0.1
Don't have right software systems for e-business	18	43	24	15	-0.3
Have concerns over lack of security with on-line marketing	18	44	26	12	-0.3
E-business not relevant to my business	27	46	16	12	-0.6

Responses are mixed. On balance businesses are indicating:

- They are tending to market on-line, e-business has helped, and is relevant, to them.
- Availability of software systems, skills and knowledge, and on-line security are not, in overall terms, barriers.
- However, most businesses were not interested in taking on-line bookings and payments, and / or in having one system for managing their availability information.

## 7.2 Overview – non computer users

The following table shows attitudes among businesses currently not using computers. To reflect the nature of these businesses, a slightly different set of questions was asked.

Again responses were quite mixed. On balance, these businesses were generally **not interested** in e-business or e-marketing. Skills, systems, and security were seen as issues.

Sample base ~ 98 (non computer users) Figures are % of respondents - read across.	Strongly disagree	Disagree	Agree	Strongly agree	Av. Rating (-2 to +2)
May be interested in e-business in the future but need more information before trying it	31	30	18	21	-0.3
Our business lacks the relevant skills/ knowledge to use e-business	19	27	27	18	0.2
Not interested in taking payment and bookings over web	20	31	19	31	0.1
Don't have right software systems for e-business	13	25	32	30	0.4
Have concerns over lack of security with on-line marketing	18	26	33	23	0.2
E-business not relevant to my business	14	30	25	32	0.3

## 7.3 Attitudinal groups

The previous two pages provide an overview of the attitudes of businesses. Inevitably there are variations to these patterns. The following table, based on a cluster analysis, identifies 5 attitudinal groups and their relative size among businesses in the region.

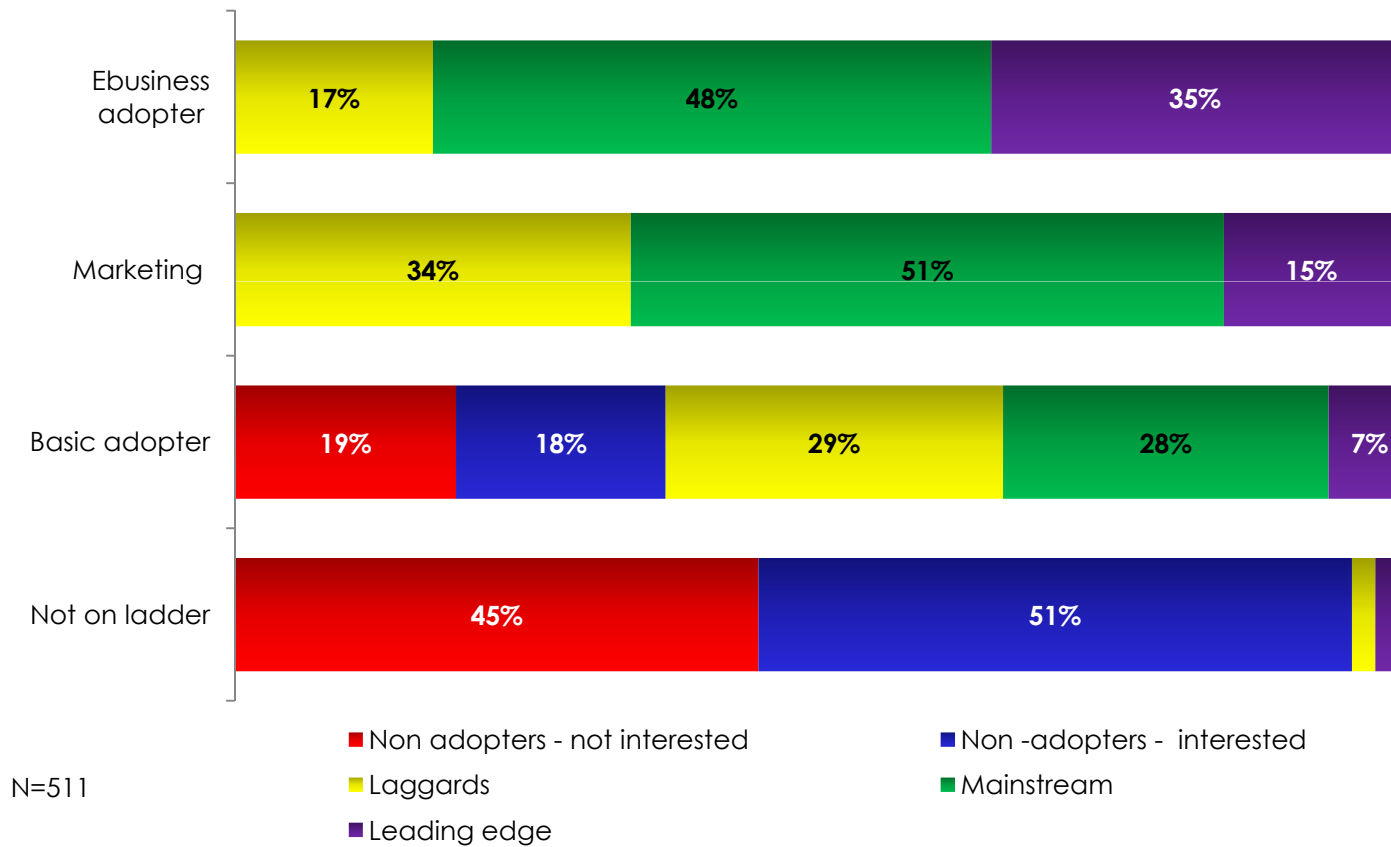
The largest group of businesses (42%) were what can be termed mainstream adopters – businesses that see the relevance of e-business and have adopted it but are not necessarily embracing higher levels (like PMSs) etc.

Attitudinal groups	% of businesses (n=511)
<b>Leading edge businesses</b> – businesses that have strongly embraced e-business and interested in new systems (e.g. that manages availability).	17
<b>Mainstream adopters</b> – businesses that see the relevance of e-business but are not so keen as leading edge businesses to adopt new technologies.	42
<b>Laggards</b> – are using computers in some form in their business but are not really keen to embrace e-business/e-marketing.	26
<b>Non adopters – potentially interested.</b> Do not currently use computers but showed some interest in on-line bookings and e-business	8
<b>Non adopters – not interested.</b> Not using ICT and not interested in e-business.	8

## 7.4 Attitudinal groups and e-adoption

There is inevitably a close correlation between these attitudinal groups and the e-adoption ladder (see section 5) as the following chart shows - the e-adoption groups are shown on the vertical axis.

By extension, there is also a link between business type and these attitudinal groups – typically larger serviced establishments are more likely to be “leading edge”.



# 8. Skills and support

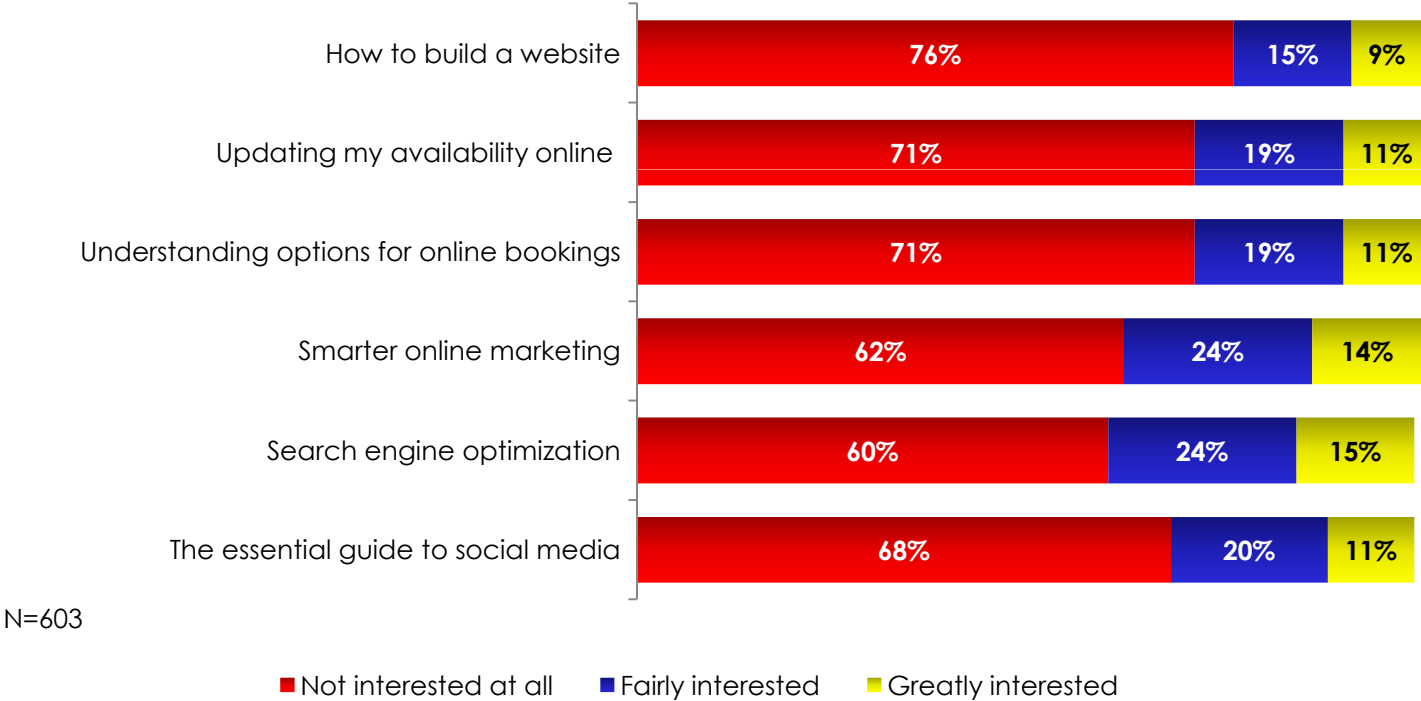
# 8.1 Training - overview

Businesses were asked what areas of information or training would be useful for their business.

Training that was of the most interest was search engine optimisation and smarter online marketing.

In general, businesses were not that interested.

Overall **40%** of businesses were interested in receiving training information from TSE in the future.



## 8.2 Training – by type and e-adoption ladder.

The following table shows differing interest by different business types and their relative position on the e-adoption ladder .

The tables shows an average score – the higher the score (the maximum is 3), the more interested a business is.

	All	Serviced 1-3	Serviced 4-10	Serviced 11+	Self catering	Caravan	Attraction	Not on ladder	Basic adopter	Marketing	Ebusiness adopter
How to build a website	1.3	1.5	1.2	1.2	1.3	1.4	1.3	1.3	1.4	1.4	1.2
Updating my availability online	1.4	1.5	1.3	1.5	1.4	1.5	1.4	1.3	1.3	1.5	1.4
Understanding options for online bookings	1.4	1.4	1.3	1.4	1.4	1.4	1.4	1.2	1.3	1.4	1.4
Smarter online marketing	1.5	1.7	1.4	1.6	1.5	1.5	1.4	1.2	1.3	1.6	1.6
Search engine optimization	1.6	1.8	1.4	1.5	1.5	1.5	1.5	1.2	1.5	1.7	1.5
The essential guide to social media	1.4	1.5	1.4	1.5	1.4	1.5	1.3	1.3	1.3	1.5	1.5
% interested in receiving information from TSE	40	40	40	48	44	21	34	20	29	47	41

# Appendix 1. Questionnaire

TSE E-business Baseline Survey 2008

**1. Profile of businesses**

**Q1 Can I confirm your company details?**

Contact name:  
 Position:  
 Name of company:  
 Type of business:  
     Serviced 1-3 rooms  
     Serviced 4-10  
     Serviced 11-25 rooms  
     Serviced 26+  
     Self catering – 1 – 10 units  
     Self catering 11+ units  
     Caravan 1 – 50 units / pitches / caravans  
     Caravan 50+ units / pitches / caravans  
     Attraction – free – less than 25,000 visitors  
     Attraction – free – more than 25,000 visitors  
     Attraction – charging - less than 25,000 visitors  
     Attraction – charging - more than 25,000 visitors

County  
     Berks/Bucks/Oxon  
     Hampshire  
     Sussex  
     Surrey  
     Kent  
     Isle of Wight

**Q2 Approximately, how many people, including yourself, are currently employed within the business in the UK? (Please include anyone working 5 or more hours a week and exclude contractors and others not directly employed) (Read list as prompt if needed)**

1 (run by owner, employs no staff)  
 2-9 (micro business)  
 10-49 (small business)  
 50-249 (medium business)  
 250+ (large business)

**2. Current e-Business systems**

**Q3. To what extent are computers used in the running of your business? (Read list and tick only one option)**

Not at all (go to Q4a and Q4b)  
 A little (go to Q5)  
 A reasonable amount (go to Q5)  
 For most things (go to Q5)  
 For everything (go to Q5)

<b>If use computer</b>	<b>If no use of computers</b>
<p><b>Q5 Which of the following information and communication technologies do you currently use in your tourism business? (Read and tick all applicable)</b></p> <p>a. E-mail address (if no also ask Q6)                      b. Internet Access (if no also ask Q6)                      c. Own website address (prompt not include a page on another website)                      d. Other (please specify)                      e. None</p>	<p><b>Q4a. Why do you not use computers? (Do not prompt)</b></p> <p>Don't have computer (if yes, also ask Q4b)                      Not needed                      Lack of expertise                      Takes too much time to set up and learn                      Don't trust technology                      Cost                      Other (please specify)</p> <p>(Then go to Q.13 and then Q.16)</p>
<p><b>Q6. (If no at Q5a and/or Q5b) What is your main reason for not having an e-mail address or internet access? (Unprompted, tick all applicable)</b></p> <p>Lack of technology                      Too expensive                      Lack of training                      Telecoms service not adequate                      No demand                      No benefits                      Other please specify                      Don't know</p> <p>(Then go to Q.13)</p>	<p><b>Q4b. Might you plan to use a computer in say the next 2 years'?</b></p> <p>Yes                      No                      Possibly</p> <p>(Then go to Q.13 and then Q.16)</p>
<p><b>3. Own Website</b></p> <p>Ask questions 7 – 12 only if yes at Q5c.</p> <p><b>Q7. You said you have your own web site, do you occasionally pay for extra advertising in the search engines (Need to prompt for e.g. Pay-per-click Google Ads)?</b></p> <p>Yes                      No                      Don't know</p>	

<p><b>Q8. Do you do any search engine optimisation for your web site?</b> (I.e. like adding key words to make sure your web site comes up as high as possible on e.g. Google search results)</p> <p>Yes No Don't know</p>	
<p><b>Q9a. Do you use a Property Management System or PMS?</b> (I.e. a back-office computer system that allow you to manage room or ticket availability, check-in/check out, invoicing etc)</p> <p>Yes No Don't know</p>	
<p><b>Q9b. If yes to Q9a, which PMS do you use?</b></p> <p>evivo Frontdesk GuestLink your own company PMS other</p>	
<p><b>Q10. Can customers book via your own website, without having to talk to you on the phone, fax or send an email?</b></p> <p>Yes No (go to Q13)</p>	
<p><b>Q11. Thinking about ways customers book via your website, which of the following applies to your booking system.....(Read and tick only one applicable option)</b></p> <p>a. All online bookings require your confirmation of room/unit/ticket availability before the customer receives e-mail confirmation through your system that the online booking can go ahead (or not go ahead)</p> <p>b. or: All online bookings are processed and authorised automatically without your participation at the booking stage; and your availability information is updated accordingly in your system</p> <p>c. If other please state</p>	

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<p><b>Q12. Do you have an Online Merchant Account? I.e. an account that receives payments for online bookings</b></p> <p>Yes No</p>	
<p><b>4. e-business and e-marketing</b></p>	
<p><b>Q13. Do you advertise your business on any of the following types of websites?</b></p> <p>Yes No Don't know</p> <p>a. A local tourism site for your area I.e. Local Authority, Tourism Association b. VisitSouthEastEngland.com (the South East Regional Tourist Board web site) c. National tourism websites I.e. VisitBritain, EnjoyEngland (via EnglandNet) d. Agency website (e.g. self-catering agency website) e. A commercial site such as Laterooms.com, Lastminute.com, Activehotels.com f. A directory site like yell.com g. Other (please state) h. None (go to Q16)</p>	
<p><b>Q14. Are you updating your latest room / ticket availability and prices on each of the external web sites that you use to advertise your business?</b> (If yes to any of 13a – 13g and Q3 does not = "not at all")</p> <p>Yes Some No Don't know</p>	
<p><b>Q15. Do you take online bookings via any of these websites? (I.e. where customers don't have to talk to you on the phone, fax or send an e email before they can make a booking)</b></p> <p>Yes No</p>	

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<p><b>Q16. Approximately what proportion of your bookings / sales (e.g. rooms/units for accommodation businesses; tickets sales for attractions) do you estimate come through each of the following routes: (Must add up to 100%, probe for an estimated %)</b></p>	
<p>Telephone direct with customer          Direct internet bookings – from own websites (only applies if yes at Q10)          Direct internet bookings – from other websites (only applies if yes at Q15)          Email from customers          Telephone or email via an intermediary / agency          TIC          At the door/on the day          Other (please state)</p>	<p>Telephone direct with customer          Telephone via an intermediary / agency          TIC          At the door/on the day          Other (please state)</p>
<p><b>Q17. Do you have a customer database that includes email details?</b>          Yes          No          Don't know</p>	
<p><b>Q18. Do you ever e-mail customers special offers, updates or newsletters?</b>          Yes          No          Don't know</p>	

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<p><b>5. Attitudes</b></p> <p><b>Q19. I'm going to read you a series of statements about e-business (i.e. any business conducted over the Internet – including bookings, marketing and servicing customer enquiries) and I want you to tell me the extent to which you agree or disagree with the following statements (with 1 being strongly disagree and 4 being strongly agree):</b></p> <p>Strongly agree          Agree          Disagree          Strongly disagree</p>	
<p>We are doing most of our marketing on-line now          E-Business has helped my business performance in the last three years          We would like to find a way to update our room/unit/ticket availability in just one system and for this to be published on all the web sites where we advertise our business          Our business lacks the relevant skills or knowledge to use e-business properly          We are not interested in taking payment and bookings over the web.          We don't have the right software systems for e-business          We have concerns over the lack of security with on-line marketing?          E-business is not relevant to my business</p>	<p><b>Only if not at all in answer to Q3</b></p> <p>I may be interested in e-Business in the future, but need more information before I try it</p> <p>Our business lacks the relevant skills or knowledge to use e-business</p> <p>We are not interested in taking payment and bookings over the web.</p> <p>We don't have the right software systems for e-business</p> <p>We have concerns over the lack of security with on-line marketing</p> <p>E-business is not relevant to my business</p>

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<p><b>6. Skills and support.</b></p> <p><b>Q20. Which of the following areas of e-business information or training would be useful for your business? (READ LIST)</b></p> <p>Greatly interested Fairly interested Not interested at all</p> <p>How to build a website Updating my availability online (e.g. updating your room/unit availability on your local tourism web site) Understanding options for online bookings Smarter online marketing Search engine optimization e.g. how to make sure your web site can be found on the first page of e.g. Google search results) The essential guide to social media (e.g. making the most of online user reviews, blogs, social networks etc) None Other (specify) Don't know</p>	
<p><b>Q21. Would you like to receive information from TSE about ICT / e-business information or training opportunities in the future?</b></p> <p>Yes No</p>	
<p><b>Q22a. TSE may conduct at some stage further surveys with tourism businesses in the South East to monitor the growth of ICT. Would it be possible to contact you again in the future?</b></p> <p>Yes No</p>	
<p><b>Q22b. If yes, please can I confirm your e-mail address?</b></p>	
<p><b>Q23. Finally, have you been satisfied with the way I have carried out the survey with you?</b></p> <p>Yes No</p>	

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